DECEMBER 14, 1964

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GRAPHIC SUMMARY
OF WORLD AGRICULTURE

BUMPER WORLD RICE
IN MAKING THIS YEAR

EEC'S RICE REGULATIONS

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

DECEMBER 14, 1964

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Indonesian girls transplanting rice at extension station, Java. Two articles in this issue deal with rice—one on the bumper world crop, and the other on the EEC's new rice regulations.

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Maps and charts showing the geographic distribution of the world's principal crops and livestock, and the trade in these products, have been recently revised by USDA Geographer Nelson P. Guidry *and published under the title—*

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A Graphic Summary of WORLD AGRICULTURE

Crops are cultivated on about 3.5 billion acres of cropland, or little more than 10 percent of the earth's 33.5 billion acres of land (excluding the Antarctic). Estimates suggest that another 15-20 percent is under permanent meadows, pastures, and rangeland available for grazing livestock.

These 3.5 billion acres of cropland provide the largest share of the world's supply of food and natural fiber as well as substantial quantities of feed for livestock. However, they are unevenly distributed among countries and in relation to population.

The United States, the Soviet Union, India, and Mainland China together have nearly half of the cropland, but on the basis of cropland per capita, sparsely populated Australia, Canada, and Argentina lead, and overcrowded India and Mainland China rank low.

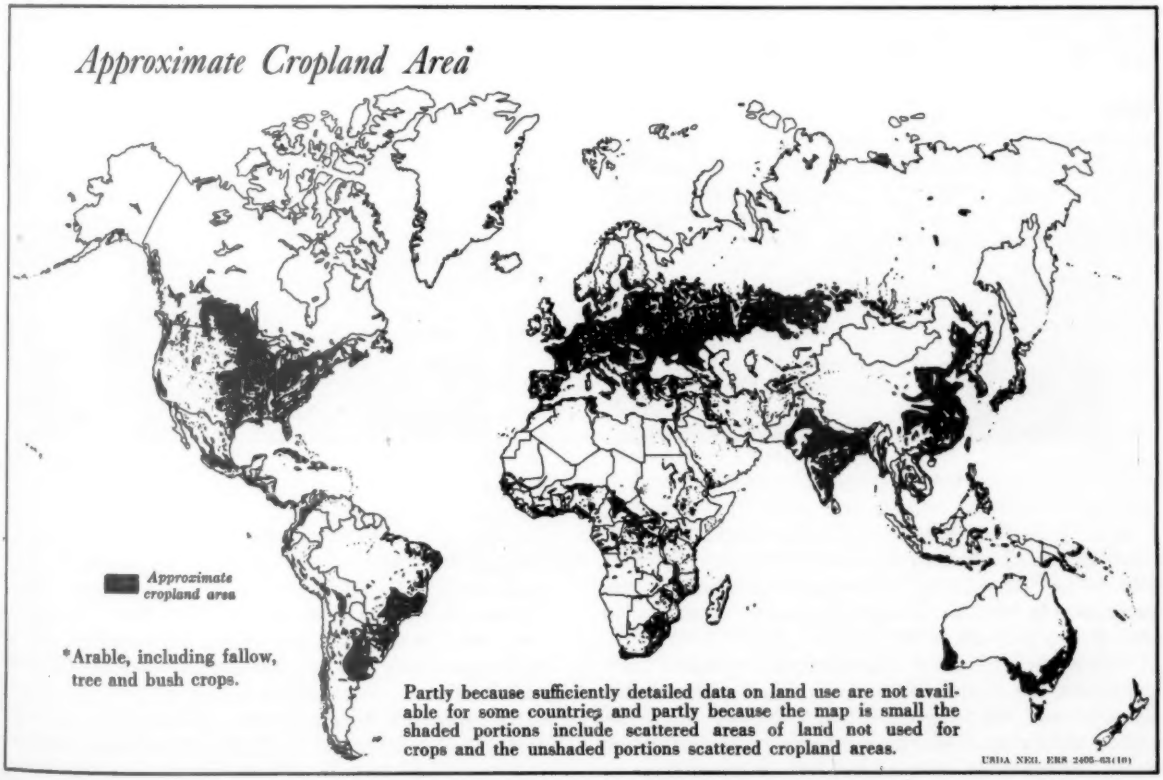
Progress in the application of modern farming techniques generally has been rapid in the highly developed countries, which have skilled manpower and can more easily afford the needed capital investment than underdeveloped regions. It has helped to keep farm output per capita at high levels in North America and Oceania, and above the world average in Western Europe.

The relatively high value of per capita consumption as well as production in these regions reflects mainly the quality of their diets. Even so, the United States, Canada, Australia, and New Zealand produce more than they consume. Western Europe, a net importer of farm products, is the largest outlet for exportable surpluses from other parts of the world; it relies chiefly on manufactures to pay for imports of food and raw materials.

In contrast, the densely populated Far East, including South and East Asia, does not produce enough food and things that can be traded for food to provide its inhabitants with more than a meager diet. With more than half of the world's population, it accounts for less than a third of the value of world farm output.

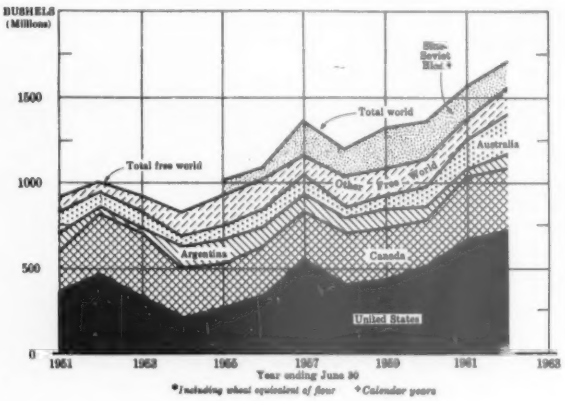
The value of consumption per capita is also low in many countries of West Asia, Africa, and Latin America, where population pressure on the land is not nearly as heavy as in the Far East and where exports of agricultural products exceed imports by a large margin.

The foregoing is from Mr. Guidry's introduction to *A Graphic Summary of World Agriculture*. This pamphlet may be obtained from the Superintendent of Documents, Government Printing Office, Wash. D.C. 20402. 35 cents.


Approximate Cropland Area*
Approximate cropland area
*Arable, including fallow, tree and bush crops.
Partly because sufficiently detailed data on land use are not available for some countries and partly because the map is small the shaded portions include scattered areas of land not used for crops and the unshaded portions scattered cropland areas.
USDA NEG. ERS 2405-63(10)

World Exports of Four Leading Crops as Charted in The Summary

*World Wheat Exports, 1951–62**

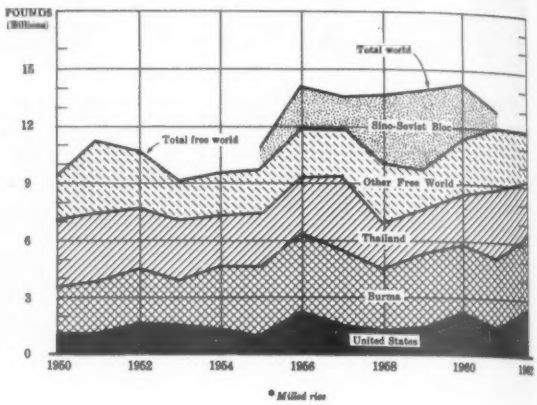


*Including wheat equivalent of flour *Calendar years

World wheat production leveled off after 1958 but world exports of wheat continued to trend upward. In 1962 the United States alone shipped 718 million bushels and Canada another 378 million. Argentina, Australia, and France account for most of the remaining Free World exports.

Western Europe remains the major importing region but in 1957-61 Eastern European countries imported an average 201 million bushels a year and Far Eastern countries 335 million. Japan is usually the No. 1 importer in East Asia but it yielded first place to Mainland China in 1961.

*World Rice Exports, 1950–62**

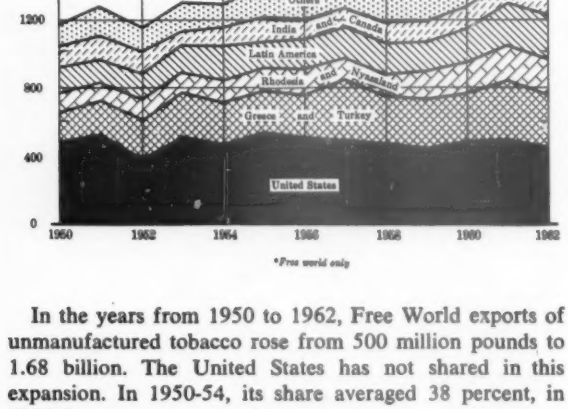


*Milled rice

World rice exports have moved upward since 1950. Burma is the largest rice-exporting country, followed usually by Thailand and the United States. Other important Free World rice exporters include South Vietnam, Cambodia, the United Arab Republic, and Italy.

Trade consists mainly of shipments from one Far Eastern country to another. East Asia imports more rice than South Asia, which in turn imports more than any remaining region of the world. Japan became self-sufficient in rice, so Indonesia now ranks first as importer.

*World Tobacco Exports, 1950–62**

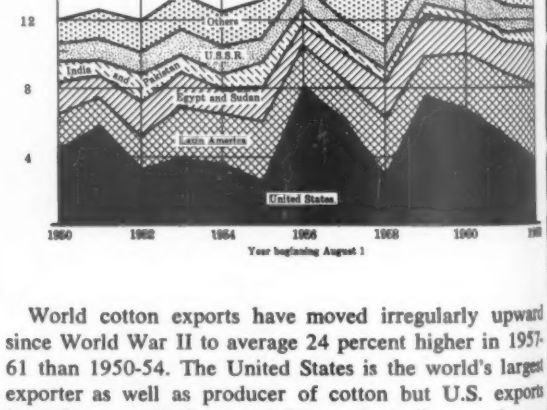


*Free world only

In the years from 1950 to 1962, Free World exports of unmanufactured tobacco rose from 500 million pounds to 1.68 billion. The United States has not shared in this expansion. In 1950-54, its share averaged 38 percent, in 1962 it was only about 28 percent.

Western Europe is the largest importing region, since it includes the world's two leading buyers—the United Kingdom and West Germany. From 1957-61 the USSR was in third place. Flue-cured tobacco ranks first in the world tobacco trade, with oriental next in importance.

World Cotton Exports, 1950–62



World cotton exports have moved irregularly upward since World War II to average 24 percent higher in 1957-61 than 1950-54. The United States is the world's largest exporter as well as producer of cotton but U.S. exports have shown marked ups and downs, depending on changes in foreign supply and demand and on the competitiveness of U.S. prices.

Exports from Latin America, Africa, and especially West Asia have risen. In South Asia, exports have declined and in 1957-61 were slightly smaller than imports.

Bumper World Rice Crop in the Making This Year

By L. THELMA WILLAHAN
Grain and Feed Division
Foreign Agricultural Service

For the second successive year, world rice supplies available for consumption are expected to reach record levels. Production (excluding Communist Asia) is forecast at 164.1 million metric tons, rough rice, compared with the 1963-64 high of 162.6 million and the 153.4 million of 1962-63.

In Asia, where 88 percent of the world's rice is grown, output is forecast to approximate the record 144.4 million tons of 1963-64 and is 8 million above the earlier high set in 1961-62. But other important growers, such as the United States, the United Arab Republic, and Communist China (not included in the Asian total), are also having an outstanding rice crop this year.

Asian exporters have large supplies

All of the exporting countries in Asia—Thailand, Burma, South Vietnam, Cambodia, Taiwan, and South Korea —are expecting crops near the high 1964 levels. Together these countries account for about two-thirds of total world exports.

Thailand in 1965 could lead in the export column, surpassing Burma—former dominator of No. 1 position. Thai export availabilities are expected to come close to the 1.8-million-ton record of 1964 from a crop estimated at close to the bumper 10.2 million of 1963-64 and well above the 7.8-million average for the preceding 5 years.

Favorable weather has been the largest contributor to Thailand's production increases, but improved cultivation methods have also played an important role. The country's 1964-65 rice area is up 15 percent from the 1958-59/1962-63 average of 13,789,000 acres, and yields have risen 29 percent.

Burma's rice production is considered "good" but will likely be below the 1963-64 level. Exports are expected to lag, largely because of such economic factors as insurgent activity, lack of incentives to producers, and the government reorganization.

South Vietnamese hopes of a record rice production were dimmed when heavy floods in the second week of November damaged the crop. However, even before the floods, problems in distribution and marketing of rice were hindering exports.

Cambodia is expecting a crop moderately below the 1963-64 record harvest. Exports by that country in the first half of 1964 were relatively heavy but not at the high 1963 level.

Communist China, whose rice production and exports have been hindered in recent years by repeated bad weather, is harvesting a good rice crop this year. Its shipments in 1965 could increase substantially, depending on Chinese export policy. If this should happen, world export availabilities would be much larger than in 1964.

Record crops in other areas

The principal exporting countries of other continents also have larger crops, among these the United States, the UAR, Italy, and Australia.

The *United States* is harvesting a record 3,276,000 tons of rough rice this year—about 100,000 above the 1963 high and 1 million more than the 1955-59 average. Exports in 1965 will probably continue at the estimated 1964 record of 1.4 million tons, making this country a close third in the world export market.

Egypt's rice availabilities for export in 1965 are expected to increase materially over the 1964 record, reflecting the government's continued drive to expand rice area and yields. Reports are that the country's current export goal for 1964-65 is higher than the previous year's 450,000 and more than double the 1961-62 level.

Italy, too, has stepped up its rice acreage; this combined with favorable crop conditions is expected to make possible Italian rice exports in the neighborhood of 200,000 tons—largest in the last 4 years.

Australia's 1964-65 acreage, just planted, is 7 percent above last year's record. Based on normal yields, this should mean export availabilities of close to 100,000 tons.

Asian import demand strong

Despite large crops, demand for foreign rice in the principal importing countries of Asia will continue to be strong.

Largest of these importers is *Indonesia.* Despite the government's policy of stressing increases in rice production as well as the substitution of other foods for rice, it is believed that this country will need to import substantial quantities of rice annually.

The recent *Indian* food shortage has made it imperative that India continue to import at least as much rice as in 1964, even though that country's rice crop in 1964-65 is forecast at the same level as the record 1963-64 crop. In fact, if weather continues favorable, production could even exceed this amount.

Indian rice imports in recent years have been mainly from the United States (under P.L. 480) and Burma; in January-July 1964, they supplied 283,900 and 141,600 metric tons (milled basis), respectively. Egypt—a minor supplier—accounted for 28,000 tons.

A smaller-than-expected crop will keep *Japan* in the market for rice.

In mid-August, growing conditions for Japan's 1964 rice crop were better than normal, and the first official estimate was for a record 16.6 million tons of rough rice. As harvesting progressed, however, typhoons, heavy rains, and subnormal temperatures caused the gradual lowering of the rice estimates, the latest being 15,956,000 tons—59,000 below the 1963 level.

Japan produces and imports mostly short-grain rice—a type grown in either the extreme northern or southern rice areas.

Because of the smaller crop, imports of short-grain rice in 1965 will probably exceed 300,000 tons, including 150,000 from Taiwan, 30,000 from Spain, and the remainder from South Korea and the United States. In 1964, purchase commitments totaled 364,000 tons, of which 209,000 were short-grain. The United States was the largest supplier, accounting for 105,000 tons (brown rice basis).

Malaya's rice imports should continue at, or perhaps exceed, the 1956-60 average of 662,000 tons of milled

rice, despite increased domestic production resulting from the introduction of new rice strains, double cropping, and improvement and extension of irrigation works.

Malay imports come mostly from Thailand, Burma, Communist China, Cambodia, and Vietnam. Formerly, some of the country's imports—around 116,000 tons in 1963—had been re-exported to Indonesia, a trade which ceased with the Indonesian confrontation of Malaysia and resulted in a 1964 drop in Malay rice imports.

Rice imports into the *Philippine Republic* have risen markedly since 1962, owing to increased consumption needs coupled with reduced acreage. Despite a good 1964-65 crop, this trend of large imports is expected to continue in 1965, when takings should at least equal the 1964 level of 300,000 tons.

Philippine imports of 220,000 tons during May-September 1964 prevented a serious rice shortage and kept prices relatively stable. Sources for these were Thailand, Burma, the United States, and Cambodia, in ranking order.

Pakistan both imports and exports relatively large quantities of rice, but is usually a net importer.

An estimate of the 1964-65 crop in East Pakistan—normally a deficit region—is not yet available, but it probably will not be as large as the 1963-64 record of 17 million tons, rough basis. East Pakistan will probably continue to take some imports, mainly from Burma.

West Pakistan, however, harvested another good crop, and up to 200,000 tons of high-grade rice are available for export to the usual markets, largely countries in the Near East. It also ships several thousand tons of rice to East Pakistan annually, except when the latter has an unusually good crop such as the one in 1963-64.

How the EEC'S New Rice Regulation Operates

By ROBERT A. BIEBER
Grain and Feed Division
Foreign Agricultural Service

The European Economic Community's new Regulation on Rice, which went into effect September 1, has the same objective as the regulation on other grains (in force since Aug. 1, 1962)—a single common market covering all six member states. Principles and procedures for rice resemble those for the other grains, but there are certain differences because rice is grown in only two of the six EEC countries —France and Italy.

The common market for rice is to be achieved by 1970. Like the policy for other grains, the rice policy provides for achieving this goal by gradually equalizing internal price levels and by regulating EEC imports from third countries through a system of variable levies (which will protect the internal prices). For the 6-year transition period only, shipments from Italy and France to other members of the EEC also will be subject to a levy, but they will receive a certain Community preference.

With the entry into force of the new Regulation, all existing restrictions on the EEC's rice trade, including import duties, are abolished unless special exemptions are made.

For imported rice, prices will be regulated through the fixing of *"threshold"* prices (minimum entry prices) each year. The difference between the threshold price and an adjusted *c.i.f. import price* (to be determined each week) will be covered by an *import levy*. During the transition period, France and Italy will each set their own threshold prices, while the four nonproducing countries will have a common threshold price fixed by the EEC Council of Ministers (and thus also a common import levy). For the first marketing season under the new Regulation—September 1, 1964-August 31, 1965—the common threshold price has been set at $142.00 per metric ton for ordinary-grade brown rice and at $96.60 for broken rice.

Adjusted import price

To calculate the import levy, a periodic (weekly) adjusted c.i.f. import price will be determined by the EEC Commission, on the basis of all offers of representative quantities made at five designated ports—Antwerp, Hamburg, Rotterdam, Dunkerque, and Genoa. The c.i.f. price of brokens will be established on the same basis. The selected price for each of the five ports will be adjusted up or down to reflect the quality differences between the EEC standard rice varieties and the respective imported varieties, the costs of milling, and various other factors. The lowest resulting adjusted c.i.f. price will then become the current standardized c.i.f. price for rice imports. (For other grains this is published daily.)

The levy on imports of rice from third countries will be equal to the difference between the threshold (entry) price and the standardized c.i.f. price.

Imports of rice from France and Italy are also subject to the levy during the transition period, except that for these imports the levy equals the difference between the importing country's threshold price and the producing country's export price free-at-frontier (instead of the c.i.f. price). In addition, to maintain an intra-Community preference and encourage trade between EEC members, levies on French and Italian rice will be reduced by a fixed or lump sum, known as the *montant forfaitaire*. For this season, the lump sum has been fixed by the Council at $2.00 per metric ton for brown rice and $1.40 for brokens. (The lump-sum preference for other grains is $1.10.)

Subsidies permitted

If the free-at-frontier price of rice from one of these producing member states is higher than the fixed threshold price of the importing member state, the producing country is permitted to cover the difference with a subsidy. Subsidies may also be granted on exports to third countries, if necessary.

Levies and subsidies on trade between EEC member states will be gradually decreased until the end of the transition period in 1970.

Rice imported into the EEC for processing and re-export to third countries will not be subject to the levy.

For rice grown inside the EEC, prices will be regulated by the interaction of each country's threshold price with the "target" wholesale price and the guaranteed "intervention" price. The threshold price will be fixed so that the

selling price of imported rice in the marketing center of the country's principal deficit area is the same as the target price, which is the minimum resale price of domestic rice at the wholesale level in that same area. For 1964-65, the maximum target price is $184.20 per metric ton; the minimum, $152.90. These limits, set by the EEC Commission, correspond respectively to the guaranteed price paid farmers for short-grain rice at the beginning of the 1963-64 season in the producing country with the highest prices (France) and to that paid in the country with the lowest prices (Italy), plus 7 percent.

There will also be "derived target prices" for each marketing center of the surplus producing areas; these prices will include allowances for transport costs within the EEC, with upper and lower limits set by the Council.

The purpose of setting this range for target prices is to avoid any widening of the present price differences between France and Italy. It can be expected that the limits will gradually be brought closer together.

To provide a price guarantee to farmers, the target price is used as the basis for a minimum wholesale price for paddy—the "intervention" price, which is to be fixed each year by the producing country at 93 to 96 percent of its target price. Government agencies will be obliged to buy any paddy offered by growers at this intervention price throughout the marketing year, and the agencies may make price support purchases at this price whenever the market situation so requires. They may resell this paddy in domestic markets at target price levels (that is, 4 to 7 percent higher) or in export markets at world price levels.

During the transition period, the differences between the threshold prices and the target prices will be gradually reduced. By June 1, 1969, at the latest, there will be a single threshold price, a single basic target wholesale price, a single intervention price for paddy, and a single levy on imports from third countries, all fixed by the Council of Ministers for the whole Community.

All imports and exports of rice will require licenses, valid for at least 3 successive months. Licenses for imports from third countries will be valid for 4 months, if distance makes it impossible to obtain delivery in 3. Export licenses will be valid for 5 months. Licensing may be suspended by one or more member states if serious disruption of the internal market develops, or threatens to develop, because of imports. The EEC Council will then decide within 4 working days whether the suspension is justified.

It is still too early to judge the effect of the new EEC rice regulation on U.S. exports of rice to the EEC countries. The system has been in operation for less than 4 months, and certain details are not yet available.

Improvement in Japan's Wheat Output May Shave Import Needs

Japan's 1964 wheat crop is up by 74 percent after the crop failure of last year. Nearly normal yields have pushed production to 45.7 million bushels despite an acreage decline of 13 percent. This recovery is expected to bring some decrease in total imports of wheat and a substantial one in those of U.S. soft wheat, which is similar to Japan's domestic output. Imports of U.S. Hard Winter will probably be somewhat below the record of 1.1 million metric tons last year. Those of Canadian and Australian wheat may increase slightly.

Total purchases of foreign wheat, according to estimates, will reach 3,538,000 metric tons (130 million bushels) between July 1964 and June 1965. This means that they will be slightly below those of 1963-64 but nearly 50 percent higher than those of 1962-63. Wheat consumption for food is expected to rise about 6 percent, with the anticipated increase in the consumer price of rice possibly encouraging the use of more wheat products. Increases are estimated also for both the consumption of wheat on farms and the milling of feed wheat, though both had declined last year.

Japan's purchases of U.S. Western White wheat, which nearly doubled from 1962-63 to 1963-64, reaching 832,700 tons, will probably decline to a midpoint of around 600,000 this year because of the upsurge in domestic wheat output. Purchases of hard wheat may rise by about 10 percent. Wheat millers are, however, reported to be asking for a larger percentage of Manitobas than of U.S. Hard Winter. Japan expects to buy about 349,000 tons of high-protein Hard Winter, about the same as last year.

Japan's Food Agency plans to make trial imports of about 2,400 tons of semihard wheat from Argentina in the near future. So far, plans for large purchases have been discouraged by problems of price and steady supply.

The government plan calls for the purchase of 934,000 tons of foreign feed wheat during the Japanese fiscal year 1964 (April 1964-March 1965), compared with only 844,000 the year before. These increased purchases reflect the lowering of the bran yield rate from 60 percent to 55.

Of the projected feed wheat purchases, about half will come from Australia, judging from Japan's commitment to buy a total of 350,000 tons (both food and feed wheat) from that country each year. In JFY 1963, Japan's wheat purchases from Australia totaled 427,266 tons. Australia is reported requesting the Food Agency to buy more food wheat, but the agency seems inclined to buy mostly feed wheat there. Purchases of feed wheat from France are reported under consideration also. However, Japanese millers of feed wheat are said to object to importations on the ground that they will have difficulty selling a larger output of flour made from soft wheat.

Even though Japan's wheat area has been declining rather steadily from the peak of 1.6 million acres in 1961, there is a stable demand for this local wheat, which is the type suitable for manufacturing the noodles that are a popular Japanese food. The government is trying a pilot plan to promote wheat production. Under this plan, agricultural cooperatives representing farmers in Nagano, Nara, and Aichi Prefectures are making contracts with local mills to supply them with locally grown wheat. The Food Agency purchases the wheat from the producers and sells it to the millers—both at established prices. Later, the millers will give the producers a premium, estimated at between 2 and 3 cents per bushel. The government encourages this effort by increasing the milling shares for the mills that are cooperating in this program.

—JOSEPH C. DODSON
U.S. Agricultural Attaché, Tokyo

Mainland China's Farm Outlook Still Improving

Agriculture's prospects in Mainland China are better this year than in any year since the Great Leap Forward of 1958. Such is the conclusion reached by USDA's China specialist Marion R. Larsen in a recent publication of the Economic Research Service.[1] Total agricultural production, still recovering from the successive disasters of 1959-61, is not back to pre-Leap levels. Food-crop production, however, is recovering faster; it should be a little better than that of 1963 and somewhere near that of 1957—a year increasingly referred to as "normal."

The author bases his estimate on continued improvements in the organization of agriculture, a more flexible and realistic approach (though controls remain firm), increased use of inputs such as fertilizer, and—above all—generally improved weather since the "calamity years."

He points out, however, that per capita food production is still far below 1957's. On the basis of current population estimates, the Chinese would have to increase total output of grains and tubers by 33 million tons over 1963, or 18.4 percent, simply to equal the 535 pounds per capita they produced the year before the Great Leap.

Weather generally favorable in 1964

The weather through September 1964 has on the whole been more beneficent to farmers than in any year since 1958. From September 1963—when farmers began to sow the crops harvested this spring and early summer—through June 1964, moisture varied from adequate to excessive; all areas averaged above the mean except South China. Even in North and Northeast China, where 9 out of 10 years are dry enough to damage crops, rainfall was exceptional. By June, however, Central and East China were having below-average rainfall in large regions; in August and September, drought was being officially mentioned.

Temperatures throughout the crop year (beginning in September 1963) have ranged close to the mean except from December through February. Fall temperatures were mild, and those in January, unusually mild. February saw a persistent cold snap over a vast area of the mainland, with frost and frost damage reported as far south as Kwangtung (in the general latitude of Formosa). But since then, temperatures have been about normal everywhere, with little damage from variations up or down.

Outlook for wheat

Winter wheat, which accounts for nearly 90 percent of Mainland China's wheat crop, is grown over a large region that extends into four of the country's seven agricultural areas, with North China the most important. The North had adequate moisture in the fall of 1963 for planting; where there had been severe summer floods, it had too much. The three more southerly areas had the opposite kind of planting conditions—too dry. Nevertheless, farmers managed to increase total acreage by 6 percent.

February snows helped protect the wheat and give it moisture. But in April, high winds and heavy rains waterlogged many fields in Central, East, and Southwest China; and though the rest of the season was favorable, the soil stayed abnormally wet. Rust was reported more severe than usual. Thus, yields may have been only slightly, if at all, better than the above-average ones of 1963; and production probably rose only about 6 percent.

Spring wheat area increased somewhat, though planting was delayed by the late spring. Above-normal rainfall in the usually dry Northwest justified August reports of a bigger harvest, but the wet weather also encouraged insects and disease and hampered threshing and storage.

Outlook for rice

The early rice crop, planted in the winter for harvest in June and July, is grown in the Central, South, and Southwest areas and accounts for about a third of total rice production. Acreage rose more than 10 percent, though not all sowing plans were fulfilled and the total is believed still well below that of 1957. In contrast to the spring of 1963—when many regions were too dry for transplanting—this spring, many were too wet. However, good yields may have raised output 10 percent or more.

The intermediate rice crop, planted in the spring and harvested in August, is the country's largest—about 40 percent of the total. Major producing areas—which border the Yangtze Valley nearly across China—reported a large acreage and better yields; but acreage expansion may have been overstated, for many farmers planted early and late rice at the expense of the intermediate crop. Production might well have been no larger than in 1963.

Late rice—the catch-up crop—usually follows the same acreage and production pattern as early rice and in about the same areas. This year, it is doubtful that plantings expanded as much as those of early rice. For this smallest of the three rice crops, harvesting continues until December and the autumn weather is crucial. Final results will remain a questionmark for some weeks.

Food consumption trends

During the year, the Chinese diet appears to have improved in both quantity and quality. But it is still low in calories—well below acceptable minimums. Any improvements have come primarily from the quality foods peasants have been able to grow on their private plots. Mainly through these efforts, production of vegetables, fruits, poultry products, meat, fish, milk, sugar, and fats and oils has continued to increase, though early this year the government urged peasants near large cities to reduce their vegetable acreage in favor of other crops.

Rationing has become less important this year than prices and incomes in determining food consumption in some areas—particularly for high-income citydwellers and some of the more ambitious farmers. Grains are still tightly controlled, and availability is about the same as after last year's harvest. But other food controls are now more flexible; and with the government encouraging "sideline" production, enough food was available to provide—as the author puts it—"a tolerable, if not adequate, level of consumption" in the winter of 1963 and the spring of 1964. For the comparable 1964-65 period, it seems reasonable to expect a slight increase, to which the record grain imports of 1964 will also have contributed.

[1] *The Agricultural Situation and Crop Prospects in Communist China, 1964.* Foreign Agriculture Economic Report No. 20. Washington, D.C. October 1964.

Success in Selling U.S. Farm Products Abroad Needs Careful Planning, Promotion Leaders Say

Officials of the Foreign Agricultural Service and U.S. commodity organizations cooperating with FAS in overseas market development met recently in Washington, D.C., for a seminar on marketing plans. Summaries of key speeches follow.

Remarks by Moderator Donald M. Hobart, Marketing Consultant, formerly Senior Vice President and Director of Research, Curtis Publishing Company.

What is marketing? It has been defined as "those business activities involved in the flow of goods from production to consumption." The weakness in this definition is that it fails to emphasize the focal point of marketing—the sale.

Marketing can be divided into five important areas: the product; study of the market; efficient distribution; the sales organization; and advertising, sales promotion, public relations, and merchandizing. The principal purpose of these operations is to make the sale.

Operations of this complexity and importance cannot succeed without definite and precise planning. We are here today to discuss the development and use of marketing plans.

"Analysis of the Marketing Situation" by W. Glenn Tussey, Chief, Foreign Marketing Branch, Cotton Division, FAS.

A thorough analysis of the marketing situation includes: the identification of problems and opportunities; and the establishment of priorities.

Analysis first

Good analysis can help you capitalize on change, coordinate your decision-making, detect and eliminate problems, and point to the long-range consequences of today's decisions. Without proper analysis, the direction and success of your program become largely a matter of chance.

You may never have complete knowledge of any marketing situation. Nevertheless, you must make decisions or the failure to do so becomes a decision not to accommodate your program to the constant changes that take place and affect your program.

Economic and business forecasts from public and private sources should be considered for their possible effects on your marketing plan.

Our cooperator submitted a marketing plan covering a project for 1964 which we felt was a step forward in our efforts to improve the planning function.

The analysis touched on these factors: geographic area, total population, and population centers; cultural origins and languages; comparison with U.S. market; consumption of cotton and competitive fibers; major processors; import requirements and history; promotion activities for competitive fibers; price competition from other fibers; import duties and buying practices; retail sales volume and principal outlets; supply of U.S. cotton; factors favoring and hampering U.S. sales of cotton.

"Developing Strategy and Setting Goals" by H. Reiter Webb, Jr., Chief, Analysis and Evaluation Branch, Trade Projects Division, FAS.

Does your marketing plan state the basic assumptions and guiding principles which direct your program? If not, chances are that you have not clearly defined its strategy.

Strategy is concerned with the larger

Holstein Calves From United States Being Fattened on Hundreds of Italy's Farms

The barn shown here houses 60 U.S. Holstein calves owned by Princess Maria Angelica del Grado, whose farm near Rome is one of some 500 where the calves are being raised to ease Italy's veal shortage. This group, airlifted in crates in November, will be fed high-fat milk replacer for at least 2 more months prior to slaughter.

movements and operations of a campaign. Strategy must be given enough time to work, yet remain flexible enough to meet the unexpected.

Development of strategy

Strategy is intended to change existing patterns in a desired manner. To accomplish this, you must reach people. Who? What do you want them to do? How can you motivate them?

Timing is important because the market has a time dimension. If a given set of prospects does not use your product in 1964, that portion of your market is gone forever. More important, the future market may be smaller than it ought to be because appropriate action was not taken.

In developing strategy, you must match means and ends to avoid setting objectives unrelated to the resources available.

Once strategy is decided, you can then consider setting goals. Why not use increasing U.S. exports as your goal? Because factors unrelated to your program may have a greater influence than you do. Exports are not a reliable measure of your performance unless your program is the single variable, the dominant force, and calls for immediate payout. Some suggested guidelines in establishing goals are: express your goals in written, measurable terms; set starting benchmarks for measuring progress and check progress against those benchmarks after sufficient time has passed; set reasonable goals; and evaluate the results.

"Selecting Appropriate Activities," by Kennett W. Hinks, Marketing Consultant, formerly Senior Vice President and Director, J. Walter Thompson Company.

Both the taxpayers' funds used by FAS and the cooperators, and the stockholders' funds used by a corporation for promotion are real money. Both must be accounted for in terms of results.

The key to selecting activities to get results is: Activities which do not help achieve the objective must be eliminated, no matter how worthwhile they may be.

Selection of activities

Principles for use in planning and selecting activities, and in determining priorities, are:

- Concentration—It is more effective to concentrate on the one or two most important activities than to scatter your shots.
- Adequacy—It is costly and risky to undertake promotion with inadequate funds. It is not necessarily true that the use of inadequate funds will just result in proportionately smaller results. You may get a complete fizzle.
- Magnitude—Don't waste valuable time and money on activities which, even if successful, will have little effect on accomplishing your goals. The important jobs are those with potentially important results.
- Seed money — Special priority might well be given to activities which, if successful, will be taken over, enlarged, and continued by others.
- Pilot evidence — Particularly in consumer promotion, we should test on a small scale for a reasonable period and see actual results before expanding. Pilot testing encourages imaginative promotion since it lessens the risk in departing from the obvious. The big payoff comes from long odds, the unusual, the unexpected.

Importance of opinion studies

- Measurement—This may be actual sales figures, but more often it will be opinion studies showing progress in overcoming prejudices, establishing a desired point of view, building increased usage, winning new customers, and measuring trade opinion.
- Facts—Every activity should be based on knowledge and study. Greater reliance on market and consumer research can take much of the guesswork out of promotion.

In carrying out these principles it would be wise to guard against certain factors which may prevent achievement of goals: Market development is not an assistance program; a project is not justified unless it contributes to the accomplishment of a defined and agreed objective; adjust personnel to activities, rather than the reverse; success of an activity in one market is not necessarily a good argument for using it elsewhere; don't select activities because they are easy to measure . . . determine the needed activity, then tackle measurement problems.

"Developing Cost Estimates and a Budget," by George M. Strayer, Executive Vice President, American Soybean Association.

A budget cannot be established in the abstract, but only in relation to the job to be done and the plans which have been made to accomplish it.

The first step in drawing up a budget should be directed toward accomplishing the job that needs to be done, with no concern as to the origin of funds or the amount. Next, fit the pattern to the patient—merging theory and actuality into a budget within the realm of achievement.

Industry backing

The first question should be the resources which the cooperator can provide. How much money, staff manpower, industry technicians, samples, and goods and services, is the U.S. industry willing to provide?

The second job should be that of discussion and negotiation with foreign cooperators to establish the extent of their interest and the resources they are willing to put into a cooperative marketing program.

It can be useful to request each potential foreign cooperator, in advance of the budgeting process, to propose a program of work for the period concerned, with suggestions as to the funds required. From these proposals, the U.S. cooperator has the responsibility for selection on the basis of the overall marketing job needed.

Generally speaking it is best to concentrate manpower and funds in those few areas which are most productive, but occasionally a small fund can serve as a catalyst to spur other organizations into promotion.

Supervision of activities

The total number of activities carried on under a project should be the maximum number which can be properly supervised and administered, and which will produce the greatest total market.

Certainly nothing is accomplished by developing a program out of proportion to the availability of P.L. 480 funds from FAS. But you cannot make an intelligent request for FAS funds until you have decided on what needs to be done, the resources industry groups can provide, and have developed a plan of work.

As programs mature, it is desirable for foreign cooperators to pay more of the cost—if they can be convinced to do so. Where this is possible, we should be looking for new fields in which to concentrate our attention.

Market development funds should be spent with the same prudence used in spending personal funds.

New International Olive Oil Agreement

A new international olive oil agreement, negotiated in 1963, became effective on October 1, 1964. The purpose of the new agreement is to regulate the marketing of olive oil, in such a way as to reduce the wide fluctuations in quantities marketed, which in the past have disrupted world trade patterns. This is contrary to other international agreements, such as those on wheat, sugar, and coffee, which essentially attempt to stabilize prices in world markets.

In this agreement the member governments have agreed (1) not to mix oil sold as olive oil with animal or other vegetable oils; (2) to furnish the Olive Oil Commission in Madrid with statistics on the olive oil production, trade, and internal consumption (the Commission will then summarize the data to facilitate trade negotiations); (3) to report trade negotiations to the Commission by May 31—after this date, unsolved trade problems are to be handled by the Commission; and (4) to have producing countries pay a total of about $300,000 into a fund for the promotion of olive oil consumption.

Members of the Olive Oil Council include the following producing countries: Algeria, France, Greece, Israel, Italy, Morocco, Portugal, Spain, Tunisia, and Turkey. Also included are the United Kingdom and Belgium-Luxembourg, both importers.

Angola's Exports of Palm Products, Fishmeal, and Oil

Palm oil exports from Angola during the first 6 months of 1964 declined 4 percent to 9,109 metric tons from 9,522 in January-June 1963. Palm kernel and palm kernel oil exports, however, increased slightly to 7,586 tons from 7,559, and 889 tons from 824, respectively.

Angola's exports of fishmeal during January-June 1964, at 29,348 tons, were more than double the 12,480 exported in January-June 1963. Shipments of fish oil also rose sharply, to 4,653 tons from 1,628.

Malay States, Singapore Export Less Copra

Net exports of copra and coconut oil from the Malay States and Singapore during the first 9 months of 1964 totaled 7,182 long tons (oil basis) compared with 18,333 in January-September 1963.

Imports of copra during the same period declined to 15,426 tons from 60,066, and exports declined to 4,362 from 42,678. Exports of coconut oil were off to 14,981 tons from 30,950, and imports to 718 from 1,489.

Argentina Exports Tung Oil

Exports of tung oil from Argentina in the first quarter of the 1964-65 marketing year beginning August 1 totaled 2,892 short tons compared with 5,971 tons in the same quarter of 1963-64. Of the total 1,252 tons were destined for the United States, against 1,163 tons a year ago. Other major destinations include the Netherlands, the United Kingdom, and West Germany.

Total exports in the August-July 1963-64 marketing year were 19,930 tons, up more than one-fifth from the 16,386 tons exported in 1962-63. Although shipments to the United States increased in 1963-64 from 1962-63, they accounted for only 30 percent of the total volume exported, against 36 percent in 1962-63.

Argentine tung oil prices, basis Europe, which in January 1964 averaged about $211.25 per long ton (26.4 U.S. cents per lb.), have steadily declined reaching a low in September of $160.50 per long ton (20.1 U.S. cents per lb). In October prices increased to $162.00 per long ton (20.25 U.S. cents per lb.) but new prices have not been quoted since mid-October.

Chinese tung oil prices, basis Europe—traditionally somewhat lower than prices of Argentine oil—have increased from $159.00 per long ton (19.9 U.S. cents per lb.) in mid-October to $168.00 per long ton (21.0 U.S. cents per lb.) by the end of November.

The recent rise in prices probably indicates prospects for a significantly reduced tung outturn in Argentina caused by recent frost damage (*Foreign Agriculture*, Nov. 2, 1964).

ARGENTINA'S TUNG OIL EXPORTS

Month	1962		1963 [1]		1964 [1]	
	To U.S.	Total	To U.S.	Total	To U.S.	Total
	Short tons	*Short tons*	*Short tons*	*Short tons*	*Short tons*	*Short tons*
August	---	701	110	2,058	220	420
September	497	669	110	852	757	1,720
October	1,148	2,247	943	3,061	275	752
November	926	1,998	197	670	---	---
December	702	1,607	423	1,640	---	---
January	304	1,814	75	1,834	---	---
February	441	1,791	97	1,001	---	---
March	115	563	---	1,644	---	---
April	134	992	351	1,955	---	---
May	---	610	137	954	---	---
June	974	1,507	2,269	2,780	---	---
July	591	1,887	1,357	2,481	---	---
Total	5,832	16,386	6,069	19,930	---	---

[1] Preliminary.

Compiled from trade and other sources.

Large Greek Table Olive Crop

The Greek Ministry of Agriculture estimates the 1964 edible olive crop at 63,000 short tons—7 percent above the 59,000-ton 1963 crop and about 40 percent above the 1954-63 average. However, reports of heavy pest damage by both dacus fly and olive kernel borer indicate that the estimate is somewhat high.

In addition, an unusually high share of the edible crop (22,000 tons, or 28 percent) is expected to be unfit for table use and will be pressed for oil.

In spite of an aerial spraying program conducted by the Ministry of Agriculture and covering a larger area than in past years, pest damage was heavier than usual. Both helicopters and fixed-winged planes were used to apply "Rogor," an organic phosphate.

If the crop estimate proves accurate, there will be an estimated supply of 77,000 tons including 14,000 tons of stocks carried over from last season. However, because of the expected heavy disappearance for oil pressing, the supplies available for table use will be about the same as during the past season.

F.O.B. prices for black olives are little changed from

their March 1964 levels, although considerably below prices of a year ago. Because 1963-64 exports were about 25 percent below expectations, prices declined as the season progressed. Representative f.o.b. prices for the various sizes of black olives have been quoted as follows:

Count per kilogram:	November 1963 *Dollars per short ton*	March 1964 *Dollars per short ton*	November 1964 *Dollars per short ton*
110-120	---	463	454
125-132	---	431	431
140-150	515	399	408
160-170	510	381	390
185-200	480	363	367

Greek trade sources expect prices to advance slightly as the season progresses but price developments will, for the most part, depend on the strength of export demand.

GREECE'S TABLE OLIVE SUPPLY AND DISTRIBUTION

Item	Marketing season 1961-62 [1]	1962-63 [1]	1963-64 [2]
	Short tons	*Short tons*	*Short tons*
Supply:			
Beginning stocks, November 1	---	35,000	5,000
Production	91,000	13,000	59,000
Total supply	91,000	48,000	64,000
Distribution:			
Exports	19,200	18,900	15,400
Domestic disappearance [3]	36,800	24,100	34,600
Ending stocks, October 31	35,000	5,000	14,000
Total distribution	91,000	48,000	64,000

[1] Revised. [2] Estimated. [3] Estimated 13,000 tons in 1961-62 and 11,000 tons in 1963-64 pressed for oil.

Jordan To Export Olive Oil

The Government of Jordan has issued a decree, effective November 16, 1964, allowing the export of olive oil up to a maximum of 7,000 metric tons. Export permits are to be obtained from the Agricultural Marketing Board. This action reflects prospects of a near-record olive oil outturn, estimated by the Jordanian Ministry of Agriculture at 20,000 metric tons (*Foreign Agriculture*, Nov. 30, 1964).

Brazil Expects Record Castorbean Production

Brazil's 1964 castorbean crop is forecast at an all-time high of about 275,000 metric tons. Production in 1963 is estimated officially by the Brazilian Ministry of Agriculture at 240,000 tons but by trade sources in Salvador and producers in São Paulo at 210,000 tons.

The entire increase in 1964 from last year is in the State of Bahia, where the crop is estimated at twice the 1963 outturn, principally because of excellent weather but also because of larger plantings. The Bahia castorbean crushing industry forecasts the Bahia crop at 160,000 tons.

The São Paulo crop may approximate 40,000 tons—about the same as last year's. Acreage was slightly smaller than a year earlier, reportedly because of the farmers' interest in planting cotton. Farmers in the State of Paraná are believed to have planted more cotton and soybeans on land usually used for the production of castorbeans.

Castorbean crushers currently are paying growers Cr$110 to $120 per kilogram (3.0 to 3.3 U.S. cents per lb.) for castorbeans delivered at the factory. This price is not considered attractive by growers and is not stimulating new plantings. The f.o.b. export price of castor oil in Salvador, as of November 23 was about 10.35 cents per pound. It had been as high as 18 cents at the beginning of the year but recently has held steady at 10-11 cents.

There were no exports of castorbeans from Brazil in 1960, 1962, 1963, or the first half of 1964, and only 250 tons were exported in 1961, in contrast with the 1955-59 average of almost 25,000 tons. Castor oil exports in January-June 1964 were 29,278 tons, compared with 32,382 tons in the first 6 months of 1963 and 77,351 tons in 1963. The tonnage shipped to the United States was 54 percent of the total exported in 1963 and 42 percent of the January-June 1964 total.

Spanish Trade in Oilseeds, Oils, Cakes, Meals

Spanish imports of edible oils (including oil equivalent of oilseed imports) declined markedly in the November-June period of 1963-64 from the comparable period of 1962-63. This decline reflected the very large domestic olive oil outturn of 1963-64. However, in the same period imports of soybeans, although relatively small, gained sharply; they are expected to continued to expand as a source of edible oil.

SPAIN'S TRADE IN SELECTED OILSEEDS, VEGETABLE OILS, CAKES, AND MEALS

Item	1962-63 [1]	November-June 1962-63	November-June 1963-64
IMPORTS	*Metric tons*	*Metric tons*	*Metric tons*
Oilseeds:			
Peanuts	29,875	24,879	14,329
Soybeans	12,046	4,210	29,548
Total	41,921	29,089	43,877
Edible oils:			
Peanut	121,274	96,887	15,229
Soybean	187,873	152,074	989
Sunflower	49,690	21,466	---
Total	358,837	270,427	16,218
Cakes and meals:			
Cottonseed	102	100	1,243
Meat	33,136	20,374	7,309
Fish	70,358	30,235	39,478
Other [2]	198,923	159,218	117,111
Total	302,519	209,927	165,141
EXPORTS	1962-63 [1]	November-August 1962-63	November-August 1963-64
Olive oil, edible	66,402	37,890	99,674

[1] Year beginning November 1. [2] Largely soybean cake and meal from the United States.

Imports complied from Spanish Customs data; exports compiled from Spanish Olive Oil Syndicate data.

Cake and meal imports in the 1963-64 period were down one-fifth from the comparable period of 1962-63 with gains in fish meal being more than offset by smaller takings of oilseed cakes and meals, largely soybean meal from the United States. However, on a protein equivalent basis, the actual decline in imports is partially offset by increased oilseed imports.

Spanish exports of edible olive oil in the November-August period of the 1963-64 marketing year, at 99,674 metric tons, were more than 2½ times those of the comparable period of 1962-63 and 50 percent above those for the entire 1962-63 marketing year. Exports to the United States have accounted for a significant part of the increase.

Monthly prices for edible olive oil of 1.0 percent acidity, in drums, f.o.b. Spanish ports, averaged $576.90 per metric ton (26.2 U.S. cents per lb.) in November-October 1963-64 compared with $949.00 per metric ton (43.0 U.S. cents

per lb.) in 1962-63. This decline reflected the large 1963-64 outturn, which might have resulted in even further declines expect for government intervention in establishing a price floor. Olive oil prices have already increased somewhat and probably will continue upward in expectation of a short oil outturn in 1964-65.

SPANISH OLIVE OIL PRICES, MONTHLY AVERAGES [1]

Month	Average 1959-63	1961	1962	1963	1964
	Dol. per metric ton	*Dol. per metric ton*	*Dol. per metric ton*	*Dol. per metric ton*	*Dol. per metric ton*
January	669.6	584.5	563.5	982.0	539.0
February	679.3	588.0	584.5	994.0	532.0
March	718.6	584.4	588.0	1,180.2	532.0
April	727.2	590.8	588.0	1,205.7	532.0
May	716.2	592.4	607.2	1,127.0	532.0
June	717.0	579.6	644.0	1,107.2	539.0
July	696.5	551.6	644.0	938.0	571.2
August	647.6	545.9	665.0	837.2	624.4
September	647.5	545.9	694.4	785.7	647.5
October	626.3	545.9	701.1	697.2	655.8
November	620.5	539.0	749.1	665.0	---
December	604.6	557.1	785.3	553.0	---
Average	672.2	567.1	651.2	922.7	---

[1] Quoted as edible, 1 percent acidity, in drums, f.o.b. Spanish ports.

The Public Ledger, London.

Japan Contracts for Purchase of Chinese Soybeans

At the Liao-Takasaki (L-T) conferences held in Tokyo in October, Japanese traders decided to purchase 280,000 metric tons (10.3 mil. bu.) of soybeans from Mainland China in 1965 under the 5-year trade agreement of November 1962 (*Foreign Crops and Markets*, Dec. 17, 1962). The breakdown as to dates of shipments and quantities involved (in 1,000 metric tons) is as follows: January-March 80, April-May 60, June-July 50, September-October 35, and November-December 55.

At the Canton Fair in November 1964, as in 1963, the so-called "friendly firms" (*Foreign Agriculture*, Sept. 7, 1964) contracted to import a specified quantity of Chinese soybeans—20,000 tons during 1965. Thus, as of now, shipments which have been contracted for 1965 total 300,000 tons (11.0 mil. bu.).

JAPAN'S PLANNED PURCHASES AND ACTUAL IMPORTS OF SOYBEANS FROM MAINLAND CHINA

Year	Under 5-year agreement	Outside the agreement	Total	Actual imports
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
1962 [1]	---	---	---	165
1963	150	70	220	227
1964 [2]	[3]250	[4]65	[5]270	([6])
1965	280	[4]20	300	---

[1] Year prior to the L-T agreement. [2] Estimated as of Nov. 20, 1964. [3] 45,000 tons scheduled for June-July were not shipped; thus, 1964 L-T shipments may total only 205,000 tons. [4] Assuming that 20,000 tons of the "friendly firm" shipments scheduled for December 1963-February 1964 were made in 1964. [5] Actual imports during January-September were 221,882 tons (8.2 mil. bu.). [6] Contracted at Canton Fair, Nov. 1964.

Japanese importers experience considerable difficulty in their dealings with Communist China regarding the imports of soybeans. Some of the major problems which apparently have not yet been solved satisfactorily include the settlement of price differentials for soybeans of different oil and moisture content, the complicated and burdensome manner by which prices are determined, and the Chinese insistence on shipping c.&f. The Japanese prefer to buy f.o.b. in order to arrange for direct shipments from the Chinese ports to each of the major areas of final utilization in Japan. Additional costs are incurred when shipments are made to central ports where shipments must be broken down into small quantities and transshipped.

Whether consumption of Communist Chinese soybeans in Japan will continue at the present level or increase at a more rapid rate will depend to some extent on solving some of these and other similar problems. More important, undoubtedly, will be the availability of supplies and the prices at which Chinese soybeans are offered.

U.S. Olive Oil Imports Continue To Rise

Olive oil imports into the United States through September were 27,553 short tons compared with 11,042 tons in the same period of 1963. Imports in the current 9-month period were 7 percent above average annual imports for 1955-59. Virtually all the oil imported is edible.

Most of the increase in imports is due to the high 1963-64 outturn in Spain and the lower prices that resulted, although imports from Italy also made significant gains. Spanish olive oil prices (1-percent acidity, in drums, basis Spanish ports) in January-September 1964 averaged about $561 per metric ton, or 45 percent below the $1,017 of the same period in 1963.

U.S. IMPORTS OF EDIBLE AND INEDIBLE OLIVE OIL

Type of oil and country of origin	Average 1955-59	1962 [1]	1963 [1]	Jan.-Sept. 1963 [1]	Jan.-Sept. 1964 [1]
	Short tons	*Short tons*	*Short tons*	*Short tons*	*Short tons*
Edible:					
Algeria	706	22	---	---	---
Argentina	477	164	492	492	---
France	619	148	124	108	135
Greece	1,708	1,799	1,444	1,258	89
Italy	7,585	8,286	5,483	3,880	6,872
Lebanon	13	([2])	---	---	---
Morocco	613	55	---	---	---
Portugal	49	193	79	58	69
Spain	9,237	14,270	7,720	4,150	19,356
Tunisia	4,107	2,396	913	913	716
Turkey	1	1,429	114	70	198
Others	189	1	74	20	45
Total	25,304	28,763	16,443	10,949	27,480
Inedible:					
Algeria	18	---	164	---	---
Greece	10	3	87	45	---
Italy	7	---	24	---	---
Portugal	304	100	---	---	---
Spain	41	19	76	48	30
Tunisia	38	5	---	---	---
Others	18	---	---	---	43
Total	436	127	351	93	73
Total oil	25,740	28,890	16,794	11,042	27,553

[1] Preliminary. [2] Less than ½ ton.

U.S. Department of Comerce.

U.S. Tung Oil Imports Show Rise

Net imports of tung oil into the United States during November-September 1963-64, at 25.6 million pounds, were 35 percent above those in the same period of 1962-63.

Increased imports from Paraguay, reflecting a sizable 1963-64 outturn, accounted for most of this 11-month rise. Imports from Argentina also rose significantly.

Total U.S. imports of tung oil during the November-October 1964-65 marketing year are currently estimated at 25 million pounds, compared with an estimated 30 million in 1963-64.

Preliminary estimates place the 1964-65 U.S. tung oil outturn at 30 million pounds compared with 20.6 million and 7.6 million in 1963-64 and 1962-63, respectively.

U.S. consumption of tung oil in 1963-64 rose to an estimated 34 million pounds; in 1964-65, it is expected to be about 36 million.

IMPORTS AND EXPORTS OF TUNG OIL

Country	Nov.-Oct.			Nov.-Sept.	
	1960-61	1961-62	1962-63	1962-63 [1]	1963-64 [1]
Imports:	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*
Argentina	22.1	16.4	13.4	12.7	15.2
Brazil	.5	.7	1.6	1.7	1.3
Paraguay	3.0	---	5.1	4.8	9.8
Rhodesia & Nyasaland	.2	---	.1	.1	.3
Others	---	---	.1	.1	---
Total	25.8	17.1	20.3	19.4	26.6
Exports, total	25.2	9.4	.5	.4	1.0
Net imports	.6	7.7	19.8	19.0	25.6

[1] Preliminary.

U.S. Bureau of Census.

West Germany's Rapeseed Production Increases

Rapeseed production in West Germany, at 121,167 short tons, is up 15 percent from the 105,594 tons produced in 1963. The increase reflects primarily an expansion in acreage.

Rapeseed accounts for virtually all of Germany's indigenous oilseed production and is largely crushed for oil. However, the bulk of domestic consumption is supplied by imports, largely soybeans, from the United States.

WEST GERMANY'S RAPESEED OUTPUT

Year	Acreage	Yield	Production
	1,000 acres	*Pounds per acre*	*1,000 short tons*
Average 1955-59	59.8	1,800	53.8
Annual:			
1960	79.2	1,930	76.4
1961	89.4	1,830	82.0
1962	118.1	2,150	127.1
1963	111.7	1,890	105.6
1964	126.9	1,910	121.2

U.K. Buying Less Wheat, Feed Grains

The first estimate for 1964-65 by the United Kingdom's Ministry of Agriculture shows that the country will produce 23 percent more wheat than the year before and import about 10 percent less. For coarse grains, the total crop will be up by 9 percent and the import needs down by about 4 percent.

The Ministry puts the 1964 wheat crop at 3.7 million long tons, against 3 million in 1963. Import requirements of wheat and wheat equivalent for July-June 1964-65 are estimated at 4.1 million tons—about 440,000 less than the year before. The 1964 crop of coarse grains is up to 8.9 million tons from 8.2 million last year, with barley accounting for the largest part. The Ministry's estimate of total import requirements is 4.1 million tons—down 160,000.

Imports have been coming in more slowly than they did last year. Wheat imports up to the end of September 1964 totaled 980,000 tons compared with 1.05 million tons at the same time a year earlier; forward purchases announced by importers amounted to only 790,000 tons, though they had reached 1.6 million tons by that time the year before. This leaves 2.33 million more tons of wheat and wheat flour to be purchased by the end of June 1965.

Coarse grain imports were running a little ahead of last year's, with 940,000 tons imported by the end of September compared with 910,000; but notifications of forward purchases added up to only 860,000 against 1.1 million the year before, and 2.3 million tons are yet to be purchased.

U.K. Cigarette Exports Down

Exports of cigarettes from the United Kingdom during January-September 1964 totaled 16.7 million pounds—down 16 percent from the 19.9 million exported in the similar period of 1963. Smaller exports to Aden, Malaysia, Jamaica, France, Kuwait, and the Sudan more than offset increases in shipments to Hong Kong, Gibraltar, Cyprus, Malta, Kenya, the Netherlands, and Italy.

On the other hand, British imports of cigarettes rose from 648,000 pounds in January-September 1963 to 781,000 in the same period of 1964. The United States, supplying 545,000 pounds, accounted for 70 percent of total imports. Other major suppliers included France, with 83,000 pounds, and the Netherlands, with 63,000.

Turkey Exporting Less Tobacco

Turkey's exports of unmanufactured tobacco during the first 9 months of 1964 totaled only 53.2 million pounds, compared with 79.4 million for the same period last year. This decline was caused by below-normal harvests in 1961 and 1962. It is likely that total exports for 1964 will not exceed 130 million pounds.

Principal markets for Turkey's tobacco exports during January-September 1964 included the United States 39.5 million, West Germany 5.4 million, East Germany 3.4 million, and Poland 3.1 million.

With the large 1963 crop now beginning to move into export channels, 1965 exports may reach 190 million pounds.

Greece Harvests Large Tobacco Crop

Preliminary estimates place Greece's 1964 crop of oriental leaf at 273.5 million pounds, just slightly under the record 1963 harvest of 280 million. The quality of the crop, however, is below that of 1963, primarily owing to unfavorable weather during the early stages of growth. Also, in some instances harvesting of the leaves was undertaken before they were completely ripe.

Rhodesia, Zambia, Malawi Tobacco Exports Up

Exports of unmanufactured tobacco from the three new countries Rhodesia, Zambia, and Malawi (formerly the Federation of the Rhodesias and Nyasaland) totaled 177.1 million pounds during the first 9 months of 1964, compared with 168.3 million for the same period of 1963. Larger exports this year to West Germany, the Netherlands, Australia, and Japan more than offset drops in shipments to the United Kingdom, Malaysia, and Hong Kong.

The United Kingdom, as usual, was the largest purchaser of tobacco from the three countries in 1964, taking a total of 86.7 million pounds.

Most of the exports from the area consisted of flue-cured tobacco from Rhodesia (formerly Southern Rhodesia), and fire-cured from Malawi (formerly Nyasaland). Northern Rhodesia (now Zambia) exported only nominal amounts.

EXPORTS OF UNMANUFACTURED TOBACCO BY THE RHODESIAS AND MALAWI

Destination	January-September	
	1963	1964
	1,000 pounds	*1,000 pounds*
United Kingdom	91,979	86,686
Germany, West	20,762	25,897
Netherlands	9,104	10,360
Australia	3,000	5,490
Japan	689	4,570
Malaysia	5,006	4,366
Belgium	2,046	3,153
Hong Kong	4,601	2,670
South Africa, Rep. of	2,372	2,409
Switzerland	1,079	2,338
Denmark	1,164	1,818
Others	26,517	27,318
Total	168,319	177,075

Tobacco Intelligence, London.

West Germany Sets Import Tender for Nuts

West Germany has announced an import tender for roasted and salted peanuts, cashew nuts, almonds, and other nuts such as walnuts, hazel, pistachio, mixed or not, in cans or similar airtight containers holding less than 5 kilograms (11 lb.)

The specifications of the tender are as follows:

- Country of origin and purchase: United States and Canada.
- Quota: DM200,000 (dollar equivalent approximately $50,000).
- Applications for import licenses will be accepted until the quota is exhausted but not later than June 30, 1965.
- Licenses will be valid for importation between January 1 and June 30, 1965.

French Cotton Textile Activity Eases

Demand for raw cotton in France has slackened during recent weeks, owing in part to the recent imposition by the United Kingdom of a 15-percent surcharge on imports of manufactured goods. French spinners are reportedly concerned that foreign-produced textiles may be diverted to France to avoid incurring the U.K. tax, and hence domestic offtake of home-produced yarns and cloth may be affected.

Cotton consumption totaled 1,330,000 bales (480 lb. net) in 1963-64—slightly above the 1,290,000 used a year earlier. In line with the expectation of slightly lower consumption this season, consumption in August amounted to 57,000 bales, against 63,000 bales in the same month of the previous season.

During the first 3 months of the current season (August-October), France's imports of cotton, at 206,000 bales, were about 14 percent below the 239,000 bales imported in the comparable period a year ago. However, the U.S. share of total imports for the first 3 months of this season was 30 percent, compared with 28 percent a year ago.

Imports of cotton during the complete 1963-64 season were 1,335,000 bales, 4 percent above the 1,282,000 imported in 1962-63. Imports from the United States were about double the 1962-63 figure.

Quantities of cotton imported from principal sources in 1963-64, with comparable 1962-63 figures in parentheses and in 1,000 bales, were former French colonies 233 (166), United States 404 (202), Mexico 126 (225), Brazil 100 (93), Egypt 67 (54), Syria 48 (132), Peru 47 (44), Greece 34 (27), Turkey 32 (35), Sudan 29 (44), Iran 27 (27), USSR 26 (28), Spain 24 (22), Nicaragua 24 (26), Argentina 22 (36), Pakistan 21 (29), Nigeria 18 (32), and India 16 (15).

Cocoa Producers Alliance Continues To Bar Sales

Members of the Cocoa Producers Alliance (Ghana, Nigeria, Brazil, Ivory Coast, Cameroon, and Togo, which produce over 80 percent of the world's cocoa bean crop) at a recent meeting in Accra, Ghana, agreed to remain withdrawn from the world market and decided to destroy an unannounced volume of stocks in efforts to strengthen cocoa bean prices.

The Alliance also decided that members should not ship cocoa for storage in consuming countries or accept financing from manufacturers or dealers or other interested parties in the cocoa trade. Storage facilities are limited in most of the member countries. However, Ghana has 25,000 tons of storage space available for other members.

The 1964-65 world cocoa bean crop is expected to be another record one which will further swell inventories held over from previous crops. The United States usually takes over one-fourth of the cocoa entering into world trade and U.S. traders and chocolate manufacturers hold rather large supplies. Inventories are also high in other major consuming countries.

The indicator price of 23.75 cents per pound of cocoa beans (prices must remain below this level for 10 consecutive days before sales are suspended) may be increased at the next meeting in January to compensate members for financial losses.

Australian Meat Shipments to the U.S.

Two ships left Australia during the first week of November with 2,419,200 pounds of beef, 112,000 pounds of mutton, and 11,200 pounds of variety meats for the United States.

Ship and sailing date	Destination [1]	Arrival date	Cargo	Quantity
	Western ports			*Pounds*
Gudrun Bakke	Seattle	Dec. 23	Beef	333,760
Nov. 1	Tacoma	25	Beef	56,000
	Portland	28	Beef	170,240
	Los Angeles	Jan. 1	Beef	627,200
	San Francisco	10	Beef	479,360
	Eastern ports			
Pioneer Isle	Charleston	Dec. 4	Beef	105,280
Nov. 2	Boston	8	Beef	163,520
	New York	10	Beef	315,840
			Var. meats	11,200
	Philadelphia	12	Beef	33,600
	Baltimore	14	Beef	134,400
			Mutton	112,000

[1] Cities listed indicate location of purchaser and usually the port of arrival and distribution area, but meat may be diverted to other areas for sale.

U.K. Lard Imports Higher

Imports of lard into the United Kingdom through the first 9 months of 1964 totaled 466 million pounds, up 18 percent from the same period last year.

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The United States was the major supplier with 92 percent of the market. Practically all other suppliers have shipped less in 1964 than in 1963. Imports from France, the Netherlands, and Belgium were down sharply, while those from Poland stopped altogether.

There has been an expansion in the U.K. lard market in 1964, owing in part to the rise in vegetable oil prices. Most of the increased consumption is for industrial uses such as baking. The consumption of lard in packeted form and in margarine has remained fairly constant.

UNITED KINGDOM LARD IMPORTS

Country of origin	January-September 1963		January-September 1964	
	Quantity	Percent of total	Quantity	Percent of total
	1,000 pounds	*Percent*	*1,000 pounds*	*Percent*
United States	338,623	85.9	426,089	91.5
France	16,566	4.2	9,796	2.1
Denmark	11,440	2.9	8,760	1.9
Germany, West	7,655	1.9	7,730	1.7
Belgium	8,957	2.3	7,376	1.6
Sweden	3,674	.9	3,164	.7
Netherlands	3,479	.9	2,107	.4
Others	3,973	1.0	773	.1
Total	394,367	100.0	465,795	100.0

Henry A. Lane & Co., Ltd.

New Zealand Meat Shipments to the U.S.

Three ships are scheduled to leave New Zealand during December with 6,608,000 pounds of meat for the United States—336,000 pounds for the west coast and 6,272,000 pounds for the east coast.

Ship	Sailing date	Destination	Quantity
			Pounds
Mariposa	Dec. 18	West coast	336,000
Wharanui	19	East coast	4,480,000
City of Auckland	31	---do---	1,792,000

Dutch Trade in Cheese and Butter Declines

Dutch exports of cheese in the first 7 months of 1964 were 128 million pounds, 10 percent less than for the same period of 1963. Reduced purchases by West Germany from more than 68 million pounds to 60 million accounted for most of this decline. Other countries which took less cheese were the United Kingdom, France, and the United States. There was a slight increase in sales to Belgium and Japan.

Shipments of butter in this period, at 22 million pounds, were only 30 percent as high as a year ago. Exports to the United Kingdom declined from 22 million pounds to 17 million. Sales to most other markets were considerably below 1963. (There was no trade with Morocco, which a year ago took 7 million pounds.)

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